

DMHC Newsletter

Protecting consumers' health care rights and ensuring a stable health care delivery system



Message from the Director



As we enter 2023, I want to begin by thanking the Department of Managed Health Care (DMHC) employees for their continued hard work over the last year in achieving our mission of protecting consumers' health care rights and ensuring a stable health care delivery system. I am proud to work alongside so many dedicated team members committed to the Department's mission.

As we look forward to the beginning of another year, I like to look back over the last year to reflect on all we have accomplished. In December, the DMHC adopted standard health equity and quality measures for health plans with the goal of ensuring the equitable delivery of high-quality health care services for all enrollees. More information about the adopted quality measures is provided below in this newsletter.

The DMHC remained committed to upholding and expanding protections that ensure the health and well-being of anyone seeking critical reproductive services. The Department issued [guidance](#) this last Fall reminding health plans regulated by the Department of requirements to cover and provide access to emergency and urgent care services including when enrollees are out of state.

The Department also implemented several new laws in 2022, including a new timely access standard for behavioral health care follow-up appointments, and is working to implement many new laws taking effect this year. Additionally, the DMHC took enforcement actions against health plans that broke the law and violated consumers' health care rights. Actions taken by the Department included a historic action to protect consumers rights related to grievances, authorizations requests, and timely access, requiring enrollee reimbursements when a plan incorrectly charged enrollees for office visits, and upholding laws to protect the timely and accurate payment of claims to providers.

The DMHC has continued to protect Californians from COVID-19 by ensuring health plan enrollees have access to testing, vaccines and treatment. More information is included in this newsletter regarding COVID-19 and other respiratory illnesses. With the recent severe weather events, I want to highlight our consumer [fact sheet](#) to ensure enrollees who may be displaced are aware of their rights to continue to access appropriate health care services.

Please help us continue to spread the word about the DMHC Help Center. The DMHC Help Center is an important resource available to help enrollees facing issues with their health plan, like accessing care, coverage or treatment denials, or wrongful billing. The first step for an enrollee facing an issue is to reach out to their health plan to file an appeal or grievance. If the health plan

does not fix the issue within 30 days for non-urgent issues, the next step is to contact the DMHC Help Center for assistance at 1-888-466-2219 or www.HealthHelp.ca.gov. If the issue is urgent, the enrollee should contact the DMHC Help Center immediately.

Thank you for your support and continued interest in the DMHC. Happy New Year!

Sincerely,

Mary Watanabe

Director

California Department of Managed Health Care

DMHC Adopts Health Equity & Quality Measures

Furthering the Department's commitment to improve the delivery of quality health care as a key measure to advance equitable health outcomes for all, the DMHC [adopted standard health equity and quality measures](#) that health plans will report on annually. To identify the measures, the Department convened a [Health Equity and Quality Committee](#) of diverse experts including consumer representatives, health plan representatives, providers, state agencies and those with expertise in quality measurement and health equity expertise. The Committee met in nine public meetings during 2022, and made [recommendations](#) to the DMHC Director on the standard health equity and quality measures.

The Committee considered state and national trends related to health equity and quality, as well as the interaction of multiple characteristics that lead to disparate health outcomes, including race, ethnicity, sexual orientation, gender identity, language, age, income, and disability status.

The DMHC adopted the following 13 quality measures recommended by the Committee:

1. Colorectal Cancer Screening
2. Breast Cancer Screening
3. Hemoglobin A1c Control for Patients with Diabetes
4. Controlling High Blood Pressure
5. Asthma Medication Ratio
6. Depression Screening and Follow-Up for Adolescents and Adults
7. Prenatal and Postpartum Care
8. Childhood Immunization Status
9. Well-Child Visits in the First 30 Months of Life
10. Child and Adolescent Well-Care Visits
11. Plan All-Cause Readmissions
12. Immunizations for Adolescents
13. Consumer Assessment of Healthcare Providers and Systems (CAHPS) Health Plan Survey, Version 5.0 (Medicaid and Commercial): Getting Needed Care

Additionally, the DMHC will require plans to stratify the data reported by race and ethnicity using the National Committee for Quality Assurance's (NCQA) race and ethnicity methodology. More information on the measures and requirements can be found in the Committee [report](#) and the DMHC's [All Plan Letter](#).

2023 Health Plan Rates

Under state law, proposed premium rate changes for individual and small group health plans must be filed with the DMHC. Actuaries perform an in-depth review of these proposed changes and ask

health plans to demonstrate that proposed rate changes are supported by data, including underlying medical costs and trends. The DMHC does not have the authority to approve or deny rate increases; however, the Department's rate review efforts hold health plans accountable through transparency, ensure consumers get value for their premium dollar and saves Californians money. To date, the DMHC's review of premium rates has saved consumers over \$296 million.

The DMHC reviewed 14 individual rate filings with an effective date of January 1, 2023. This included 13 on-exchange filings offered through Covered California. A new entrant for the 2023 plan year, Aetna Health of California, Inc., is offering individual products on-exchange.

For the 14 individual rate filings, the proposed rate increases ranged from 1.9% to 13.5%. The DMHC received revised rate filings on August 18 to incorporate updates reflecting the passage of the Inflation Reduction Act of 2022, which included a three-year extension of the increased financial help for consumers who sign up for health care coverage through an Affordable Care Act marketplace. Additionally, Universal Care, Inc. (Bright HealthCare) withdrew from the individual market prior to the start of open enrollment for 2023. With these updates, the final rate change for the 13 health plans in the individual market ranged from 1.1% to 12.1%, with an average increase of 6.6% across all health plans. You can view the final rates on the Department's [website](#).

Additionally, the DMHC reviewed 37 filings from 23 large group health plans. Health plans with large group products are required to file specified information at least annually and 120 days before any change in methodology, factors or assumptions that would affect the rate paid by a large group employer or contract holder. The DMHC reviewed the health plans' methodology, factors and assumptions used to develop rates to determine whether they are unreasonable or not justified.

Health Plans Must Assist Enrollees Impacted by Natural Disasters

Health plans must ensure enrollees displaced by natural disasters, including floods, earthquakes and wildfires, continue to have appropriate access to medically necessary health care services. This could include speeding up approvals for care, replacing lost prescriptions and ID cards, or quickly arranging health care at other facilities if a hospital or doctor's office is not available due to the disaster. Read the DMHC's consumer-focused [fact sheet](#) in English and Spanish for more information about what health plans are required to do to help enrollees impacted by a natural disaster.



HEALTH PLAN ASSISTANCE FOR ENROLLEES IMPACTED BY NATURAL DISASTERS

If you've been negatively impacted or displaced by Natural Disasters, including earthquakes, wildfires, and flooding, your health plan is required to help.

WHAT THE DMHC IS DOING TO HELP

The California Department of Managed Health Care (DMHC) requires California health plans to help victims of Natural Disasters, including earthquakes, wildfires and flooding, who are experiencing problems obtaining health care services. This could include speeding up approvals for care, replacing lost prescriptions and ID cards, or quickly arranging health care at other facilities if a hospital or doctor's office is not available due to the disaster.

IF YOU NEED ASSISTANCE, CALL THE DMHC HELP CENTER AT:

1-888-466-2219

California Department of Managed Health Care

HEALTH PLAN REQUIREMENTS

Health plans must ensure enrollees displaced by natural disasters continue to have appropriate access to medically necessary health care services.

This may require plans to, among other things:

- Relax time limits for prior authorization, pre-certification, or referrals.
- Suspend prescription refill limitations and permit impacted enrollees to refill their prescriptions at out-of-network pharmacies.
- Allow enrollees to replace medical equipment or supplies.
- Extend filing deadlines for claims.
- Allow enrollees to access appropriate out-of-network providers if in-network providers are unavailable due to the disaster or if enrollees are out of the area due to displacement from the fees.
- Have a toll-free number for affected enrollees to call for answers to questions, including questions about the loss of health insurance ID cards, access to prescription refills, or how to access health care.

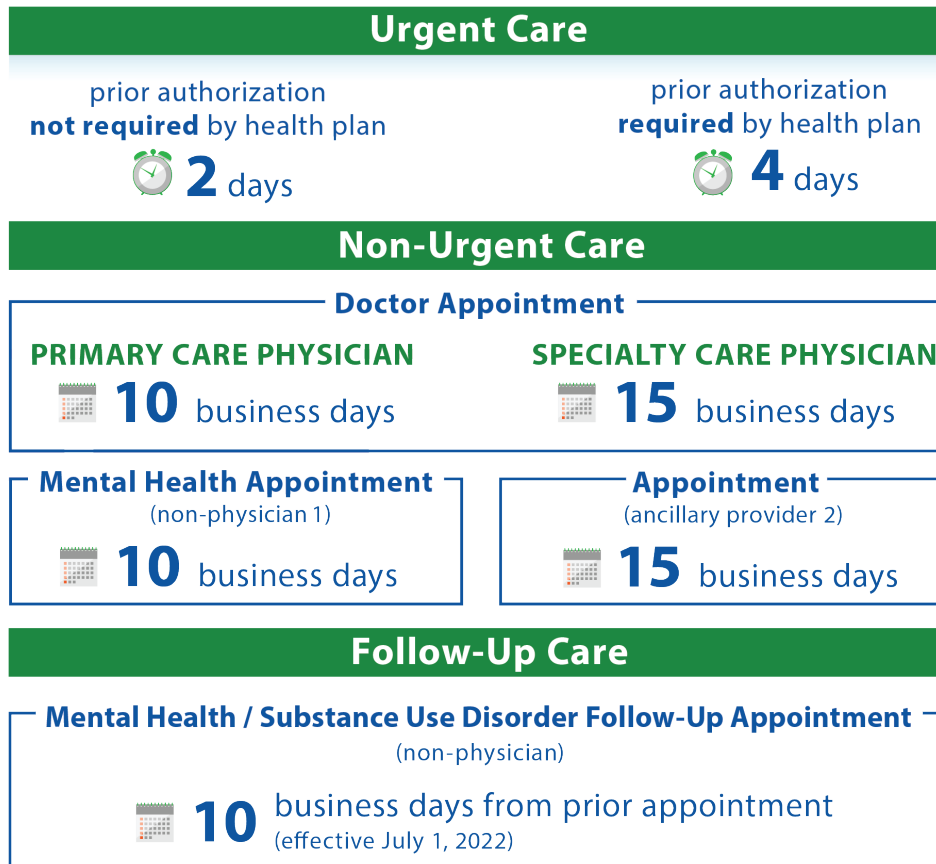
You should first contact your health plan for assistance, but if you have problems obtaining services or assistance from your health plan, you can also contact the DMHC Help Center at 1-888-466-2219 (TDD: 1-877-688-9891), or at www.HealthHelp.ca.gov. The DMHC Help Center provides help in all languages, and all services are free.

May 2021

Timely Access to Care and Measurement Year 2021 Report

Health plans must provide enrollees with timely access to care, including an appointment within a specific number of days or hours. A new timely access to care requirement for follow-up behavioral health appointments took effect on July 1, 2022 under Senate Bill (SB) 221 (Wiener, 2021). Health plans must provide non-urgent follow-up appointments with non-physician mental health care or substance use disorder providers within 10 business days of the prior appointment for those undergoing a course of treatment for an ongoing mental health or substance use disorder condition. A qualified health care provider may extend the waiting time for an appointment if they determine a longer waiting time will not be harmful to the enrollee's health.

Timely Access to Care Standards



For more information, please see the DMHC's Know Your Health Care Rights [Fact Sheet](#) and the [Timely Access Report for Measurement Year 2021](#).

Report Shows Prescription Drug Costs Increased by \$2.1 Billion Over Five Years

The DMHC released the [Prescription Drug Cost Transparency Report for Measurement Year 2021](#) on December 27, 2022. The report looks at the impact of the cost of prescription drugs on health plan premiums and compares this data over five reporting years, 2017 through 2021. Among other findings, the report reveals that health plan spending on prescription drugs increased by \$2.1 billion since 2017, including an increase of \$700 million in 2021.

The DMHC considered the total volume of prescription drugs covered by health plans and the total cost paid by health plans for those drugs. Additionally, the Department analyzed how the 25 most frequently prescribed drugs, the 25 most costly drugs, and the 25 drugs with the highest year-over-year increase in total annual spending impacted health plan premiums.

State Resources on COVID-19 and Other Respiratory Diseases



The DMHC is working closely with state and local leaders, health plans, providers and other stakeholders in supporting actions to mitigate the spread and severity of COVID-19, Influenza (Flu), RSV and other respiratory diseases.

The DMHC's [COVID-19 resource web page](#) includes more information about the Department's actions, including the following consumer fact sheets on coverage options, testing, vaccines and treatment.



[Coverage Options Fact Sheet](#)
([English](#), [Spanish](#))



[Consumer Fact Sheet on COVID-19](#)
([English](#), [Spanish](#))

Departments throughout the state are working to respond to COVID-19 and ensure Californians have the resources they need to stay safe and healthy. As the pandemic evolves, information can change quickly. It is important that you are getting the most up-to-date information from reliable sources. You can find additional state resources below to stay informed on the latest information and guidance regarding COVID-19.

- [COVID19.ca.gov](#)
- [CDPH COVID-19 Updates](#)
- [DHCS COVID-19 Response](#)

The California Department of Public Health also provides more information about other respiratory illnesses, like [Influenza \(Flu\)](#) and [RSV](#).

Taking Enforcement Action to Protect Consumers

The DMHC's Office of Enforcement takes action against health plans that violate the law. The primary goal of an enforcement action is to protect consumers and change the health plan's behavior to comply with the law. The DMHC took over 200 enforcement actions in 2022, including the actions highlighted below.

The DMHC and DHCS took [action](#) against Local Initiative Health Authority for Los Angeles County (L.A. Care Health Plan) which resulted in penalties totaling \$55 million. The departments coordinated on their investigations and found multiple violations by the plan in several operational areas, including L.A. Care Health Plan's handling of enrollee grievances, processing of requests for authorization, and inadequate oversight and supervision of its contracted entities regarding timely access.

The DMHC also took [enforcement action](#) totaling \$1.1 million in fines against Blue Cross of California (Anthem Blue Cross) for incorrectly applying office visit costs to enrollee deductibles and failing to mail Explanation of Benefits (EOB) to enrollees in 2019. In addition to the fines, Anthem Blue Cross agreed to reimburse impacted enrollees \$9.2 million and implement several corrective actions to ensure these issues do not happen again. Health plans are required to issue an EOB to health plan enrollees after claims are processed. The EOB is an important document enrollees can use to track amounts paid out-of-pocket, deductible accumulation for the year and includes information on appeal rights.

Additionally, the DMHC took [enforcement action](#) against Molina Healthcare of California (Molina) including a \$1 million fine for Molina's failure to timely acknowledge and resolve provider disputes. The plan agreed to pay the fine, implement corrective actions, and remediate \$82.2 million in payments and interest to providers. California law requires health plans to have a Provider Dispute Resolution (PDR) program to address disputes over payments to providers, and requires plans to respond and resolve disputes within specified timeframes.

New Year, New Laws

The Governor signed several bills that directly impact the DMHC. The DMHC will continue working to implement these bills over the coming year. Below is an overview of some of these bills:

Mental health: 988 Suicide and Crisis Lifeline

AB 988 (Bauer-Kahan, 2022) requires health plans to reimburse 988 centers and mobile crisis units for mental health or substance use disorder treatment provided to a plan enrollee. This bill took effect September 29, 2022.

Telehealth: Dental Care

AB 1982 (Santiago, 2022) requires health plans covering dental services to report telehealth information, including the total number of services delivered via telehealth related to third-party telehealth providers, to the DMHC. This bill took effect on January 1, 2023.

Health Care Coverage: Dependent Adults

AB 2127 (Santiago, 2022) requires health plans to provide an applicant seeking coverage for a dependent parent with information about the Health Insurance Counseling and Advocacy Program (HICAP) to ensure they understand their health care options. This bill took effect on January 1, 2023.

Reproductive Health Care

AB 2134 (Weber, 2022) requires health plans to provide information about abortion or contraception services that may be available at no cost to employees of religious employers that do not cover abortion or contraception services. This bill took effect on January 1, 2023.

California Health Benefit Exchange: Abortion Services Coverage Reporting

AB 2205 (Carrillo, 2022) requires health plans offering products through Covered California to annually report the amount of funds held in a separate account. This bill took effect on January 1, 2023.

Prescription Drug Coverage

AB 2352 (Nazarian, 2022) requires health plans to provide information about prescription drugs upon request by an enrollee or their prescribing provider. The bill also prohibits health plans from

restricting providers from sharing information about the prescription drug or penalizing providers for prescribing lower cost prescription drugs. This bill's requirements will take effect on July 1, 2023.

Health Care Coverage: MH/SUD: Provider

AB 2581 (Salas, 2022) requires health plans that provide coverage for treatment of mental health and substance use disorders (MH/SUD) to complete the credentialing process within 60 days from the time the provider submits their completed application. The bill also requires health plans, upon receipt of the application, to notify the provider within seven business days, verify receipt, and confirm that their application is complete. This bill took effect on January 1, 2023.

Nonpharmacological Pain Management Treatment

AB 2585 (McCarty, 2022) encourages health care providers and health plans to use evidence-based nonpharmacological treatments for pain management. This bill took effect on January 1, 2023.

Gender-Affirming Health Care

SB 107 (Wiener, 2022) protects the rights of transgender youth and their parents. The bill also prohibits health plans and providers from releasing sensitive medical information. This bill took effect on January 1, 2023.

Health Care Coverage: Timely Access to Care

SB 225 (Wiener, 2022) requires health plans to incorporate timely access standards and processes into its quality assurance systems. This bill took effect on January 1, 2023.

Health Care Coverage: Abortion Services: Cost Sharing

SB 245 (Gonzalez, 2022) prohibits health plans from imposing a co-pay, deductible, or other cost-sharing requirement for abortion and abortion-related services. The bill also prohibits health plans from imposing utilization management practices on covered abortion and abortion-related services. This bill took effect on January 1, 2023.

Contraceptive Equity Act of 2022

SB 523 (Leyva, 2022) requires health plans to cover certain over-the-counter birth control without cost sharing. This bill took effect on January 1, 2023 and portions will take effect on January 1, 2024.

Health Care Service Plans: Discipline: Civil Penalties

SB 858 (Wiener, 2022) increases various specified administrative and civil penalty amounts for health plans that violate the law and provides the DMHC with authority to impose corrective action plans. This bill took effect on January 1, 2023.

Gender-Affirming Care

SB 923 (Wiener, 2022) requires future cultural competency training for health plan staff so they can provide trans-inclusive health care to individuals who identify as transgender, gender diverse, or intersex. This bill took effect on January 1, 2023.

Health Emergencies

SB 979 (Dodd, 2022) expands the DMHC's authority to require health plans to take additional steps to assist individuals affected by a public health emergency or natural disaster. This bill took effect on January 1, 2023.

Maternal Mental Health

SB 1207 (Portantino, 2022) extends the deadline for health plans to develop maternal mental health programs and updates requirements of the programs to include quality measures meant to encourage screening, diagnosis, treatment and referral. This bill's requirements will take effect on July 1, 2023.

CARE Court Program

SB 1338 (Umberg, 2022) enacts the Community Assistance, Recovery, and Empowerment (CARE) Act to deliver critical services to vulnerable Californians struggling with serious mental illness. The bill requires health plans to cover the cost of health care services for an enrollee with a CARE plan without cost sharing or prior authorization. This bill took effect on January 1, 2023.

Health Information

SB 1419 (Becker, 2022) requires health plans to establish and maintain applications to improve patient and provider access to health information. This bill will take effect on January 1, 2024.

Health Care Coverage

SB 1473 (Pan, 2022) requires health plans to cover COVID-19 therapeutics without enrollee cost-sharing, prior authorization, utilization management or in-network requirements. This bill took effect on September 25, 2022.

Regulation Update

Summary of Dental Benefits and Coverage Disclosure Matrix

The purpose of this regulation is to implement requirements for a uniform benefits and coverage disclosure matrix that must be used by health care service plans that issue, sell, renew, or offer a contract that covers dental services in California. This regulation will help ensure that consumers may more easily compare a summary of dental benefits offered by various health care service plans. The Office of Administrative Law (OAL) approved the regulation on September 1, 2022, and the regulation became effective on January 1, 2023.

Mental Health and Substance Use Disorder Coverage

The purpose of this regulation package is to address health care service plans prior authorization and utilization management requirements, as well as network adequacy for mental health and substance use disorder providers. The regulation follows the passage of SB 855 (Wiener, 2020), and will ensure health care service plans use the most recent criteria and guidelines developed by a nonprofit professional association for the relevant clinical specialty when conducting a utilization review of mental health and substance use disorder medical services requested by an enrollee or provider. The package was submitted to OAL on December 6, 2022 and noticed to the public on December 16, 2022. The initial 45-day comment period ended on January 30, 2023.

DMHC Help Center

The DMHC Help Center educates consumers about their health care rights, resolves consumer complaints, helps consumers navigate and understand their coverage and ensures access to appropriate health care services.

The DMHC encourages health plan enrollees experiencing issues with their health plan to first file a grievance or appeal with their health plan. Common issues include getting timely access to care, receiving an inappropriate charge or bill, or a denial or delay in care or treatment. If the enrollee does not agree with their health plan's response to the grievance or appeal, or the plan takes more than 30 days to fix the problem for non-urgent issues, the enrollee should contact the DMHC Help Center. The DMHC Help Center will work with the enrollee and health plan to resolve the issue. The health plan enrollee can file a complaint with the DMHC Help Center at www.HealthHelp.ca.gov or 1-888-466-2219. If a health plan enrollee is experiencing an urgent issue, they should contact the DMHC Help Center immediately. Help on urgent matters is available 24 hours a day, seven days a week.

If a health plan denies, changes or delays a request for medical services, denies payment for emergency treatment or refuses to cover experimental or investigational treatment, a health plan enrollee can apply for an Independent Medical Review (IMR) through the DMHC Help Center. Independent providers will review the case, and the health plan must follow the IMR determination. Approximately 68% of consumers who file an IMR with the DMHC receive their requested service or treatment from their health plan. For more information about the IMR process or to apply for an IMR, please visit www.HealthHelp.ca.gov.

DMHC Career Opportunities

The DMHC is always seeking smart, talented and enthusiastic people to join our team. More information about exciting careers with the DMHC is located on the [CalCareers website](#).

DMHC Web Banners

The DMHC created the following web banners to help raise consumer awareness of the DMHC Help Center.

If your organization is interested in hosting the DMHC web banners on your website, please visit the DMHC [website](#) or email stakeholder@dmhc.ca.gov. The web banners are also available in additional languages, including Spanish.

Assistance is Fast, Free & Confidential

Approximately 68% of consumer appeals (IMRs) to the DMHC resulted in the consumer receiving the requested service or treatment from their health plan

Call: 1-888-466-2219 | Visit: HealthHelp.ca.gov

The DMHC Protects the HealthCare Rights of **28.4 Million Californians**

[Learn More](#)

1-888-466-2219

HAVE A PROBLEM WITH YOUR HEALTH PLAN? CONTACT THE DMHC

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About DMHC:

The DMHC protects the health care rights of 28.4 million Californians and ensures a stable health care delivery system. The Department has helped 2.6 million Californians resolve health plan problems through the Help Center. Information and assistance is available at www.HealthHelp.ca.gov or by calling 1-888-466-2219.